CENTENARY HALL PROMOTIONS
Trading as CENTENARY HALL
(ASSOCIATION INCORPORATED UNDER SECTION 21)
MANDATORY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. BASIS OF PRESENTATION

1.1 Statement of Compliance

The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (SA GAAP) except for IAS16 "Property, plant and equipment", including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Practices Board replacing the equivalent SA GAAP Statement as follows:

Standard of GRAP	Replaced Statement of SA GAAP
GRAP 1: Presentation of financial statements	AC 101: Presentation of financial statements
GRAP 2: Cash flow statements	AC 118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC 103: Accounting policies, changes in accounting estimates and errors

The Minister has determined that the effective date for the above standards of GRAP shall be - December 2005 for GRAP1, 2 and 3.

Directives issued and effective

Reference	Topic
Directive 1	Repeal of existing transitional provisions in, and consequential amendments to, Standards of GRAP.
Directive 2	Transitional provisions for the adoption of standards of GRAP by public entities and constitutional institutions.
Directive 3	Transitional provisions for the adoption of standards of GRAP by high capacity municipalities.
Directive 4	Transitional provisions for the adoption of standards of GRAP by medium and low capacity municipalities.
Directive 5	Determining the GRAP reporting framework.

Currently the recognition and measurement principles in the above GRAP and SA GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following changes in the presentation of the financial statements:

1.1.1 Terminology differences:

Standard of GRAP	Replaced statement of SA GAAP
Statement of financial performance	Income Statement
Statement of financial position	Balance Sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus / deficit	Profit / loss
Accumulated surplus / deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends

1.1.2 The cash flow statement is prepared in accordance with the direct method.

(Cont/...)

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MANDATORY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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1. BASIS OF PRESENTATION (Continued)

1.2 Future Changes to Policies

These are Standards and Interpretations in issue but not yet effective and in addition, minor amendments have been made to the Standards with a view to removing inconsistencies and clarification of wording, The company has considered all of this Standards and Interpretations and found the following to be applicable to Centenary Hall Promotions:

Standard of GRAP	Effective date
GRAP 9 Revenue from Exchange Transactions	1 July 2009
GRAP 11 Construction Contracts	1 July 2009
GRAP 12 Inventories	1 July 2009
GRAP 13 Leases	1 July 2009
GRAP 14 Events After the Reporting Date	1 July 2009
GRAP 17 Property, Plant and Equipment	1 July 2009
GRAP 19 Provisions, Contingent Liabilities Assets	1 July 2009
GRAP 21 Impairment of non cash generating units	
GRAP 23 Revenue from non exchange transactions	
GRAP 24 Presentation of budget information in financial statements	
GRAP 26 Impairment of cash generating units	

Effective accrual based IPSASs considering the provisions in paragraph .15 to .19 of Directive 5

No.	Topic
IPSAS 20	Related party disclosures
IPSAS 21	Impairment of non cash generating assets

Applicable Statements of SA GAAP

No.	Effective date
Instruments: Presentation	1 January 2009
IFRIC 15 Agreements for the construction of	1 January 2009

It is expected that the following new or revised standards and interpretations will have no effect on Centenary Hall Promotions' financial statements.

Statement of GRAP

No.	Effective date
GRAP 4 The Effects of Changes in Exchange Rates	1 July 2009
GRAP 5 Borrowing Costs	1 July 2009
GRAP 6 Consolidated and Separate Financial Statements	1 July 2009
GRAP 7 Investments in Associates	1 July 2009
GRAP 8 Investments in Joint Ventures	1 July 2009
GRAP 10 Financial Reporting in Hyperinflationary Economies	1 July 2009
GRAP 16 Investment Property	1 July 2009
GRAP 18 Segment reporting	
GRAP 100 Non – current Assets Held for Sales and Discontinued Operations	1 July 2009
GRAP 101 Agriculture	1 July 2009
GRAP 103 Heritage	

(Cont/...)

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1. BASIS OF PRESENTATION (Continued)

1.2 Future Changes to Policies (Continued)

Applicable Statements of SA GAAP

No.	Effective date
IFRS 1 Amendments to IFRS 1 First time Adoption of International Financial Reporting Standards	1 January 2009
IFRS 2 Amendments to IFRS 2 - Share - based payment - vesting conditions and cancellations	1 January 2009
IFRS 3 Business Combinations	1 July 2009
IAS 39 Financial Instruments : Recognition and Measurement - Eligible Hedged Items	1 July 2009
IFRIC 16 Hedges of net investment in a foreign operation	1 January 2009
IFRIC 17 Distribution of non-cash assets to owners	1 July 2009
IFRIC 18 Transfer of assets from customers	1 July 2009
Improvements to IFRS	1 January 2009

1.3 Basis of measurement

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention or fair value if stated as such.

1.4 Use of Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1.5 Departures from the standards

IAS 16 "PROPERTY, PLANT AND EQUIPMENT"
Due to cost and cash flow reasons, the company does not determine residual values for each item of property, plant and equipment, does not determine estimated useful lives with reference to the period over which the assets are expected to be available for use and does not depreciate each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost, separately as required by IAS 16 "Property, plant and equipment" .

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

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4. PROPERTY, PLANT AND EQUIPMENT

4.1 Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure relating to property, plant and equipment is capitalised when it meets the definition criteria of an asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Inferior equipment is written off in full in the year it is acquired. Surpluses or deficits on the disposal of assets are credited or charged to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

Items of property, plant and equipment are depreciated using the straight line basis over the anticipated useful lives of the assets. The principal useful lives used for this purpose are:

Furniture and fittings (6 years)
Office equipment (3 years)
Motor vehicles (5 years)
Computer software (2 years)
Computer equipment (3 years)

4.2 Impairments of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

5. FINANCIAL INSTRUMENTS

5.1 Investments and other financial assets

Financial assets within the scope of IAS 39 (AC133) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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5. FINANCIAL INSTRUMENTS (Continued)

5.2 Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the company has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

5.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

5.4 Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

5.5 Amortised cost

Amortised cost is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

5.6 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash in the statement of financial position comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

5.7 Impairment of financial assets

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

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5. FINANCIAL INSTRUMENTS (Continued)

5.7 Impairment of financial assets (Continued)

Assets carried at amortised cost (Continued)

In relation to trade receivables, a provision for impairment is made when there is objective evidence that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

5.8 Financial liabilities

Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial performance when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 7-30 day terms, are initially measured at fair value of the consideration to be paid in the future for goods and services received.

After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest method.

5.9 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

- the company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement;

- and either (a) The company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a 'pass through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(Cont/...)

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5. FINANCIAL INSTRUMENTS (Continued)

5.9 Derecognition of financial assets and liabilities

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the Statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

6. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and other taxes or duties. The following specific recognition criteria must be met before revenue is recognised:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Revenue from the hiring out of facilities for functions is recognised once the function has taken place.

Other income is recognised when the services have been rendered.

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

7. GRANTS AND PUBLIC CONTRIBUTIONS

Revenue from grants and public contributions is recognised when all conditions associated with the contribution have been met. Where grants and public contributions have been received but the company has not met the conditions, a liability is recognised.

Revenue from grants and public contributions are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

8. RETIREMENT BENEFITS

The policy of the company is to provide retirement benefits for all its employees. The company have defined contributions plans. Current contributions to relevant retirement benefit plans operated for employees are charged against the income in the period to which they relate.

9. TAXES

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of value added tax included.

- The company accounts for value added tax on the cash basis.

- The net amount of value added tax recoverable from, or payable to, the taxation authority is shown separately on the face of the statement of financial position.

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9. TAXES (Continued)

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at year end date.

10. OPERATING LEASES

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease rentals are recognised on a straight-line basis over the lease term or any other basis which is representative of the time pattern of the lessees benefit.

11. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance when incurred.

12. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance.

13. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance.

14. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance.

15. COMPARATIVE INFORMATION

15.1 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

CENTENARY HALL PROMOTIONS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
1. TRADE AND OTHER PAYABLES		
Accruals	11 834	4 497
Audit fee accrual	152 433	152 433
Nelson Mandela Bay Municipality	-	37 550
Payments received in advance	19 740	4 000
Transfer to NMBM	(184 007)	-
Balance at the end of the year	-	**198 480**

Terms and conditions of the above financial liabilities:

Accruals are non-interest bearing and are normally settled on 30-day terms.

The related party payable bears no interest and has no fixed terms of repayment.

2. SOUTH AFRICAN REVENUE SERVICES - VAT		
VAT payable	-	**24 982**
VAT receivable	**6 569**	-
Transfer to NMBM	**(6 569)**	-
Balance at the end of the year	-	**24 982**

VAT is payable on the cash basis. Only once payment is received from debtors is VAT paid over to SARS.

3. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of carrying values is set out on the following page.

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CENTENARY HALL PROMOTIONS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

2009

	Furniture and fittings	Office equipment	Motor vehicles	Computer software	Computer equipment	Total
	R	R	R	R	R	R
Cost	265 799	109 052	158 969	1 691	22 665	558 176
Accumulated Depreciation	(262 963)	(107 274)	(98 031)	(1 691)	(20 547)	(490 506)
Net Book Value	2 836	1 778	60 938	-	2 118	67 670
Transfer to NMBM	(2 836)	(1 778)	(60 938)	-	(2 118)	(67 670)
Net Book Value	-	-	-	-	-	-
Reconciled as follows:						
Balance at beginning of year	28 750	537	87 433	-	-	116 720
Additions	-	2 000	-	-	2 500	4 500
Depreciation	(25 914)	(759)	(26 495)	-	(382)	(53 550)
Transfer to NMBM	(2 836)	(1 778)	(60 938)	-	(2 118)	(67 670)
Balance at end of year	-	-	-	-	-	-

During the period, Centenary Hall Promotions acquired Property, plant and equipment with a cost of R4 500 in order to maintain the current operating capacity of the company.

The company does not have any restrictions on title and property, plant and equipment has not been pledged as security for liabilities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

2008

	Furniture and fittings	Office equipment	Motor vehicles	Computer software	Computer equipment	Total
	R	R	R	R	R	R
Cost	265 799	107 052	158 969	1 691	20 165	553 676
Accumulated Depreciation	(237 049)	(106 515)	(71 536)	(1 691)	(20 165)	(436 956)
Net Book Value	**28 750**	**537**	**87 433**	**-**	**-**	**116 720**
Reconciled as follows:						
Balance at beginning of year	59 954	4 282	119 227	-	-	183 463
Depreciation	(31 204)	(3 745)	(31 794)	-	-	(66 743)
Balance at end of year	**28 750**	**537**	**87 433**	**-**	**-**	**116 720**

(Cont...)

CENTENARY HALL PROMOTIONS
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	2009 R	2008 R
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	130 769	112 525
Less: Provision for impairment of receivables	(118 368)	(49 230)
	12 401	63 295
Sundry debtors	1 810	-
Transfer to NMBM	(14 211)	-
Nelson Mandela Bay Municipality	139 589	-
	139 589	**63 295**

As at 30 June 2009, trade receivables at nominal value of R 118 368 (2008: R 49 230) for the company were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

Reconciliation of provision for impairment of receivables	**Individually impaired**	**Total**
At 1 July 2007	(30 970)	(30 970)
Charge for the year	(18 260)	(18 260)
At 30 June 2008	**(49 230)**	**(49 230)**
Charge for the year	(69 138)	(69 138)
At 30 June 2009	**(118 368)**	**(118 368)**

As at 30 June 2009, the ageing analysis of trade receivables is as follows:

Neither past due nor impaired	5 540	22 518
Past due and not impaired		
< 30 days	5 541	-
30 – 60 days	1 320	-
90 – 120 day	-	19 957
>120 days	-	20 820
Total	12 401	63 295

Trade receivables are non-interest bearing and are generally on 30 days' terms.

The related party receivable bears no interest, has no fixed terms of repayment and is current in nature.

5. DEPOSITS		
Electricity deposits	15 950	15 950
Transfer to NMBM	(15 950)	-
	-	**15 950**

The electricity deposits are refundable on termination of the services.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

	2009 R	2008 R
6. CASH AND CASH EQUIVALENTS		
The entity has the following bank account:		
Current Account (Primary Bank Account) Standard Bank of South Africa Limited Account Number 080194443		
Cash book balance at beginning of year	344 963	277 498
Cash book balance	40 723	344 963
Transfer to NMBM	(40 723)	-
Cash book balance at end of year	-	**344 963**
Bank statement balance at beginning of year	344 963	151 496
Bank statement balance at end of year	40 723	344 963
Petty cash and cash floats		
Cash book balances at beginning of year	-	1 009
Cash book balances at end of year	-	-
Total bank, Petty cash and cash float balances	-	**344 963**
7. SALES		
Catering	-	155 582
Total sales	-	**155 582**
8. GOVERNMENT GRANTS		
Total government grants	**112 989**	**60 000**

Grants are received from the Nelson Mandela Bay Municipality to cover operating deficits of the entity. The conditions of the grant have been met. No funds have been withheld.

The company has not benefited from any other form of government assistance.

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	2009 R	2008 R
9. OTHER INCOME		
Sundry income	1 579	13 776
Total other income	**1 579**	**13 776**
Sundry income was earned on other services provided such as drapping and venue decoration.		
10. ADMINISTRATION EXPENSES		
Accounting fees	10 530	12 150
Auditing fees	142 495	165 697
Total administration expenses	**153 025**	**177 847**
11. SELLING AND DISTRIBUTION EXPENSES		
Marketing	1 018	10 164
Subscriptions	1 214	1 700
Total selling and distribution expenses	**2 232**	**11 864**
12. EMPLOYEE RELATED COSTS		
Employee related costs - salaries and wages	97 980	203 975
Employee related costs - contributions to UIF, WCA, provident and medical aids	-	50 365
Bonuses (annual and incentive)	-	9 459
Other	-	677
Total employee related costs	**97 980**	**264 476**
There were no advances to employees.		
Remuneration of the Manager		
Annual remuneration	-	113 508
Bonuses (annual and incentive)	-	9 459
Contributions to UIF, medical aid and provident fund	-	37 764
Total	-	160 731

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	2009 R	2008 R
13. REPAIRS AND MAINTENANCE		
Building - internal	1 127	22 581
Equipment	9 934	2 775
Vehicles	4 401	7 654
Total repairs and maintenance	**15 462**	**33 010**
14. INTEREST PAID		
Interest paid	-	586
Total interest paid	**-**	**586**
15. CONTRACTED SERVICES		
Cleaning	-	67 184
Security	-	25 500
Staff	299 804	-
Total contracted services	**299 804**	**92 684**
16. GENERAL EXPENSES		
Cash stolen	12 000	-
Cleaning materials	13 736	15 874
Computer consumables	-	3 801
Electricity and water	36 756	46 417
Equipment hire	8 470	63 333
Expendable equipment	-	375
Equipment consumables	-	86
Laundry	1 181	3 299
Motor vehicle	13 145	17 404
Postage, telephone and fax	47 958	49 310
Professional services	-	12 890
Refuse	2 148	3 473
Stationery	3 265	2 477
Venue decoration	-	80 979
Total general expenses	**138 659**	**299 718**

(Cont/...)

CENTENARY HALL PROMOTIONS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

	2009 R	2008 R
17. TAXATION		
17.1 Tax charge		
South African normal tax		
- Normal tax	-	-
	-	-
17.2 Tax computation		
Deficit before taxation	(177 877)	(55 337)
Add:		
Doubtful debt allowance - prior year	12 308	7 743
Depreciation - office equipment	222	-
SARS interest paid	-	586
Revenue received in advance	19 740	-
Provision for doubtful debts	69 138	18 260
Less:		
Doubtful debt allowance - prior year	(18 260)	-
Doubtful debt allowance - current year	(17 285)	(12 308)
Operating grants received	(112 989)	(60 000)
Wear & Tear - office equipment	(133)	-
Estimated tax loss for the year	(225 136)	(101 056)
Assessed loss brought forward	(1 506 258)	(1 405 202)
Estimated assessed loss	**(1 731 394)**	**(1 506 258)**
17.3 Tax charge reconciliation		
Standard tax rate	28%	29%
Doubtful debt allowance - prior year	-1.94%	-4.06%
Depreciation - office equipment	-0.03%	0.00%
SARS interest paid	0.00%	-0.31%
Revenue received in advance	-3.11%	0.00%
Provision for doubtful debts	-10.88%	-9.57%
Operating grants received	17.79%	31.44%
Doubtful debt allowance - prior year	2.87%	0.00%
Doubtful debt allowance - current year	2.72%	6.45%
Wear & Tear - office equipment	0.02%	0.00%
Assessed loss	-35.44%	-52.96%
Effective tax rate	0%	0%

(Cont/...)

CENTENARY HALL PROMOTIONS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

	2009	2008
17.4 Estimated tax losses		
At beginning of year	(1 506 258)	(1 405 202)
Incurred	(225 136)	(101 056)
At the end of the year	(1 731 394)	(1 506 258)
Available for set off against future taxable income	**(1 731 394)**	**(1 506 258)**

18. CASH UTILISED BY OPERATIONS

Deficit for the year	(177 877)	(55 337)
Adjustment for:-		
Depreciation	53 550	66 743
Interest paid	-	586
Operating deficit before working capital	**(124 327)**	**11 992**
(Increase) / decrease in Trade receivables	(135 958)	(17 045)
(Increase) / decrease in Deposits	-	2 568
(decrease) / increase in Trade payables	(39 455)	69 527
Cash utilised by operations	**(299 740)**	**67 042**

19. EVENTS AFTER THE REPORTING DATE

No material fact or circumstance has occurred between the accounting date and the date of this report.

20. RETIREMENT BENEFIT INFORMATION

The company contributed to the Old Mutual Orion Provident Fund, a defined contribution plan. This fund has been registered and governed under the Pension Fund Act, 1956 as amended. There were no staff members (2008: 2) covered by the Provident Fund during this financial year.

The contributions of R Nil (2008 : R 13 337) were expensed in the current year.

21. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

21.1 Audit fees

Opening balance	152 433	138 577
Current year audit fee	142 495	165 697
Amount paid - current year	(133 959)	(151 841)
Balance unpaid (included in Trade payables)	**160 969**	**152 433**

(Cont/...)

CENTENARY HALL PROMOTIONS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

21. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

	2009	2008
21.2 VAT	R	R
VAT payable / receivable is shown in Note 2. All VAT returns have been submitted by the due date throughout the year.		

21.3 PAYE and UIF

Opening balance	2 765	-
Current year payroll deductions	-	38 418
Amount paid - current year	(2 765)	(35 653)
Balance unpaid (included in Trade payables)	**-**	**2 765**

21.4 Pension and Medical Aid Deductions

Opening balance	3 046	-
Current year payroll deductions and Council Contributions	-	48 785
Amount paid - current year	(3 046)	(45 739)
Balance unpaid (included in Trade payables)	**-**	**3 046**

21.5 Non- Compliance with the Municipal Finance Management Act

The non-compliance disclosed below relate to the section 21 company, Centenary Hall Promotions. With effect from 1 May 2009 all operations relating to Centenary Hall have been absorbed by the parent Municipality, NMBM.

The following instances of non-compliance in terms section 95(c)(i) were noted:

- No risk assessment has been performed for the period under review.
- There is no fraud prevention plan in place to prevent and detect fraud.
- There is no compensating control to deal with segregation of duties due to staff shortages.
- No plans to recover information in disaster situations, e.g. back-up facilities, recovery plan for business continuity. Information is kept in the system and copies of invoices and other documents are filed and stored. Lack of space also presents a challenge with regards to storing records.
- Insufficient controls with regards to the safekeeping of supporting documentation for all transactions recorded.
- No policy documents in place for most of the significant transaction cycles such as revenue and receivables, purchases and payables, asset management and employee costs.

(Cont/...)

CENTENARY HALL PROMOTIONS
Trading as CENTENARY HALL
(ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

21. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

21.5 Non- Compliance with the Municipal Finance Management Act (Continued)

The following instances of non-compliance in terms section 96 were noted:

- A proper and complete asset register is not kept as assets do not have asset numbers assigned and no location details are documented. The assets of the entity are also not marked.
- Reconciliation between physical assets and the register is not performed.
- No policy exists for the maintenance and disposal of assets.

The following instances of non-compliance in terms section 97 were noted:

- Insufficient controls with regards to cut off of revenue recorded at year end.
- Insufficient controls with regards to the authorisation and accuracy of revenue recorded.
- Insufficient controls with regards to the safekeeping of supporting documentation relating to completeness, valuation and existence of trade and other receivables.
- No policy documents in place for revenue and receivables.

All accounts were not reconciled on a monthly basis as required by S98 of the MFMA.

The following instances of non-compliance in terms section 99 were noted:

- Insufficient controls with regards to cut off of operating expenditure and trade and other payables recorded at year end.
- Insufficient controls with regards to the authorisation and safekeeping of supporting documentation relating to accuracy and occurrence of operating expenditure.
- No policy documents in place for purchases and payables.

The municipal entity does not comply with section 111 of MFMA as there is currently no supply chain management policy in place.

The company does not have an internal audit unit and audit committee as required by S165 and S166 of the MFMA.

21.6 Unauthorised Expenditure

The company's actual expenditure exceeded the budgeted expenditure for the year. Refer to Appendix D1 for details.

21.7 Fruitless and Wasteful Expenditure

No such expenditure was incurred in the current year. In the prior year, the company paid interest to SARS on late payment of VAT amounting to R586.

(Cont/...)

CENTENARY HALL PROMOTIONS
Trading as CENTENARY HALL
(ASSOCIATION INCORPORATED UNDER SECTION 21)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

21. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

21.8 Capital Commitments

No capital expenditure has been authorised nor contracted for.

21.9 Contingent Liabilities and Assets

We are not aware of any pending or threatened litigations, proceedings, hearings or claims or negotiations which may result in significant loss or possible recovery to the company. Thus, the company does not have any contingent liabilities or contingent assets to disclose at year-end.

21.10 In-Kind Donations and Assistance

No in-kind donations or assistance was received in the current year.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial liability is trade and other payables. The main purpose of these financial liabilities is to raise finance for the company's operations. The company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate management

The interest rate risk is limited due to the fact that the company is actually financed by the Nelson Mandela Bay Municipality by means of grants to cover operating deficits.

The company has an overdraft facility with Standard Bank of South Africa Limited. The interest rate on the overdraft facility is at the prime lending rate. The limit on the short term banking facilities is R 25 000. The Nelson Mandela Bay Municipality has provided security in respect of the overdraft facilities.

Deposits attract interest at a rate that varies according to the prime banking rate.

Should the interest rate change by 1 % the effect would be R 1 778 (2008: R553) of the deficit for the year.

Credit risk management

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The maximum exposure is the carrying amount as disclosed in Note 4 to the financial statements.

With respect to credit risk arising from the other financial assets of the company, which comprise cash and cash equivalents, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

(Cont/...)

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The company monitors its risk to a shortage of funds by considering the maturity of financial assets and projected cash flows from operations. The company's objective is to mantain a balance between continuity of funding and flexibility through use of bank overdrafts and funding received from its parent municipality.

Fair value

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash, trade receivables and payables and other receivables and payables.

23. KEY MANAGEMENT PERSONNEL

The following is a person having authority and responsibility for planning, directing and controlling the activities of the entity.

Manager: Mpumelelo Julius Majola

His employee benefits are disclosed in note 12.

24. RELATED PARTIES

The entity's only related party is its parent municipality the Nelson Mandela Bay Municipality.

Types of related party transactions

Grants are received from the Nelson Mandela Bay Municipality to cover operating deficits of the entity.

The payroll adminitration is performed by the Nelson Mandela Bay Municipality, the entity reimburses its parent for all payroll costs paid on their behalf.

Material related party transactions and balances

	2009	2008
Transactions	**R**	**R**
Grant received	112 989	60 000
Payroll costs	299 802	264 476

Balances

Refer to Note 1 for details of related party balances payable.
Refer to Note 4 for details of related party balances receivable.

Security

The Nelson Mandela Bay Municipality has provided security in respect of the overdraft facilities.

25. GOING CONCERN

Due to the decision taken by the Nelson Mandela Bay Municipality to rationalise entities of the Municipality, the Centenary Hall was absorbed into the Corporate Services Directorate as from the 01 May 2009. All assets and liabilities will be transferred to the Nelson Mandela Bay Municipality with effect from 01 May 2009. These assets and liabilities will be transferred at fair value.